

**Oifig an Aire Oideachais agus Scileanna
Memorandum for the Government
Follow up to Ryan Report**

Ref:**17 June, 2011**

Decision Sought
DELETED.

Background

- 2.1 Following the publication of the Ryan Report in May 2009, the Government called on the religious congregations that were party to the 2002 Indemnity Agreement to make a further substantial contribution towards the cost of residential institutional abuse. In response the congregations, acting individually, offered to make additional contributions, which they valued at €348.51m, comprising some €111m cash to be provided over a number of years (including €4m towards the provision of counselling and therapeutic services); €2m by way of a waiver of rent and €235.51m in proposed property transfers. At its meeting on 25th February 2010 the Government considered the report of the independent Panel to Assess the Statements of Resources, which was prepared following receipt of detailed information submitted by the religious congregations as well as the details of the offers made by those congregations in response to the call, following the publication of the Ryan Report, for them to make a further substantial contribution. The Report identified an aggregated overall level of assets held by the Congregations (excluding some congregational companies) in 2009 at some €3.9bn, comprising €3.1bn in property assets (of which €2.9bn are in use or restricted) and €0.8bn in financial assets. These assets varied considerably across the congregations which are of varying size and had varying degrees of involvement in the residential institutions. The Panel's report also set out the congregations' assessment of their liabilities and commitments, which in aggregate, reached some €0.9bn.
- 2.2 The then Government decided to adopt a position that in the light of the Panel's Report, the State considers that the Congregations have the resources to bring their contribution over time up to 50% of the major costs of the response to residential institutional abuse estimated at €1.36 billion (representing the costs of the Redress Scheme, the costs of the Commission to Inquire into Child Abuse, the Education Finance Board, Faoiseamh Counselling and the proposed Statutory Fund). The Government agreed that €110 million of the offers from the congregations (essentially the cash element) would be used to establish a Statutory Fund (including administration costs) for the support of survivors and their education and welfare needs. The Government also agreed that the Redress Scheme would not be extended (in response to requests to raise the age limit defining a child from 18 to 21 years, to include additional institutions and to extend the time limit for receipt of late applications) and that Redress Awards would not be reviewed. On 13th July last, the Government noted the outcome of the discussions held between the Department of Education and Skills and the eighteen congregations that were party to the 2002 Indemnity Agreement in relation to the additional contributions sought; the outcome of the discussions with survivor groups; and the intention of

the Tánaiste and Minister for Education and Skills to submit a General Scheme of a Bill to provide for a Statutory Fund to support the needs of former residents of the scheduled residential institutions.

2.3 DELETED

3 to 5 DELETED

Realisation of Existing Offers Made by Congregations

- 6.1 As noted earlier, the Congregations offered additional contributions, which they valued at the time at €348.51m. These contributions comprise some €111m cash to be provided over a number of years (including €4m towards the provision of counselling and therapeutic services); €2m by way of a waiver of rent and €235.51m in proposed property transfers to various State bodies, voluntary organisations and the proposed Statutory Fund. €20.6m of the cash contributions has been received and paragraph 6.2 sets out the expected timing for the remainder of the contributions and the issues associated therewith. The HSE has confirmed that it has no interest in accepting the €2m rent waiver proposal as set out in paragraph 6.3. The value of the properties which are likely to be of immediate interest to the State will not exceed €60m of the overall property offers indicatively valued at €235.51m by the congregations. In reality the values agreed will be lower than €60m. DELETED.

Cash Element

- 6.2 To date cash contributions amounting to €20.6m have been received and placed in a special interest bearing account in the Central Bank pending the establishment of the Statutory Fund. These contributions have been forwarded by 11 of the 15 Congregations who pledged cash contributions. The remaining 4 congregations are awaiting confirmation that the legislation will provide for the charitable status of their contributions to the Fund or sight of the proposed terms and structure of the Fund, prior to making their initial contributions. As outlined in paragraph 5.9 provision is being included in the General Scheme to deem the congregations' contributions as fulfilling a charitable purpose. The following table outlines the likely timescale for receipt of the cash contributions.

| | Total | Cumulative Total |
|---|---------|------------------|
| Amount Received to Date | €20.6m | |
| Amount Expected on Publication of Bill and/or Establishment of Fund | €37m | €57.6m |
| Amount Expected in 2011 | €10.95m | €68.55m |
| Amount Expected in 2012 | €10.45m | €79m |
| Amount Expected in 2013 | €6m | €85m |
| Amount Expected in 2014 | €2m | €87m |
| Unspecified Timing | €20m | €107m |

The Christian Brothers' proposed contribution included €4m to "*be contributed over the next five years to support counselling and therapeutic services such as Faoiseamh*". The Congregation subsequently clarified that it will be providing

this contribution directly to Faoiseamh (the independent service which caters for the needs of former residents and others who have experienced abuse in religious run institutions). DELETED

Rent Waiver Element

- 6.3 The Sisters of Nazareth offered a contribution of “€2m by way of a rent waived for a five year period, which is due from government for the new 50 registration home at Sligo as a fully fitted property with full registration inclusive of fixtures and fitting on the basis of a 50 year occupational lease.” The €2m comprised annual rents over five years, in respect of the new nursing home and the former Nazareth House, Sligo, which is used by the Health Service Executive (HSE). While the HSE is currently leasing a portion of the old Nazareth Home for a nominal amount it is not leasing any part of the Nursing Home. DELETED

Property Elements

- 6.4 Four congregations made property offers in their initial responses to the call for a further contribution. These offers included proposals to transfer property to the State, to the voluntary sector and to the Statutory Fund. The proposals to transfer properties to the State account for some €210m of the proposed property contribution valued by congregations at €235.51m and relate to properties in the education and health areas. In the course of discussions with the Department of Education and Skills (DES), the Daughters of Charity of St. Vincent de Paul proposed to transfer a property at Glenmaroon, Co. Dublin (adjacent to the Phoenix Park) in lieu of a portion of its cash contribution and the Sisters of St Clare offered a further property in the education sector. The DES circulated details of the congregations’ property portfolios as contained in their submissions to the Independent Panel to other relevant Government Departments/Offices and to the HSE to see if further properties could be identified which would be of interest to the State. In the case of the education sector, there are a number of properties currently being rented from some congregations and some of the congregations have declined to offer properties in which they would be aware the Department/VEC would have an interest in acquiring. A table outlining the position in relation to the individual property offers is attached at Appendix 4.

6.5 & 6.6 DELETED

Programme for Government Commitment to Negotiate School Transfers

- 6.7 The Programme for Government states that the Government *will negotiate the transfer of school infrastructure currently owned by 18 religious orders cited in Ryan Report, at no extra cost, to the State.* DELETED In the meantime, the material provided by the congregations to the independent Panel appointed to assess the material submitted by the congregations and report to Government as to the adequacy of these statements as a basis for assessing the resources of the congregations has been reviewed. This review indicated that 3 of the 18 congregations own no school infrastructure. The extent of ownership among the others varied considerably and several have transferred/are transferring their schools to independent Trust companies, while others are transferring their schools to the local Diocesan authorities.

6.8 to 6.16 DELETED

Request for further Contributions to achieve a 50:50 sharing of Costs

- 7.1 Following the then Taoiseach's request to the 18 congregations to augment their offers of property and cash so as to achieve a 50% share of the major costs of the response to residential institutional abuse, the matter was raised with each congregation at bilateral meetings and followed up with written requests. One congregation, the Daughters of the Heart of Mary, is keeping the matter under further consideration, while the Presentation Brothers have indicated that they will provide a €1m contribution to the children's hospital and will waive some or all of their legal costs due in relation to the Commission to Inquire into Child Abuse. In this context, the Oblates have also agreed to waive their legal fees associated with the Commission, which they estimated at almost €1m to October, 2007. The other congregations have generally responded to the effect that they are not in a position to increase their offers while the Sisters of Mercy consider their offer to be just, generous and adequate. The Presentation Sisters similarly contend that they have contributed 100% of the costs that might have been incurred by the claims made against their congregation. The Oblates also feel that their offer is fair and reasonable. Other congregations adopted similar positions at the meetings with the Department of Education and Skills.

ALL REMAINING SECTIONS DELETED